



CONSULTANTS
AND ACTUARIES
(PTY) LTD



Employee Health Care Benefits Employer Awareness Survey

as at

May 2008

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Section 1 Introduction

1.1 Introduction

Partnership

NMG Consultants and Actuaries ('NMG') and Innovative Medicines South Africa ('IMSA') has entered into a partnership to investigate the level of employer awareness on employee health care related issues.

Purpose

It has been recognised that employee health care provision does not necessarily get the same focus from employers in South Africa as it may in other countries. As such, decisions around improved health care provision are not driven by the consumer. IMSA would like to improve awareness, thereby encouraging the consumer to become engaged in health care financing decisions going forward. The intention of the project is to understand the current level of awareness amongst employers. Highlighting areas where awareness is lacking will hopefully have consumers questioning the value of health care benefits offered and received – ultimately leading to better awareness and understanding from consumers, and better health care financing provision within South Africa.

1.2 Survey participants

NMG approached a variety of its clients from differing industries. Nine of these organisations agreed to participate in the survey, covering a variety of industries (referred to as participants throughout the remainder of this report). No random sampling of additional employers was included in the survey.

Although nine organisations may not necessarily represent a statistically significant sample size, it does give an indication of trends in perception.

Sectors

The following industry sectors were covered by the survey.

- Automotive
- Chemical
- Consumer goods ('Consumer')
- Financial services ('Financial')
- Industrial
- Information technology ('IT')
- Transport and logistics ('T&L').

Two financial and two T&L companies were surveyed.

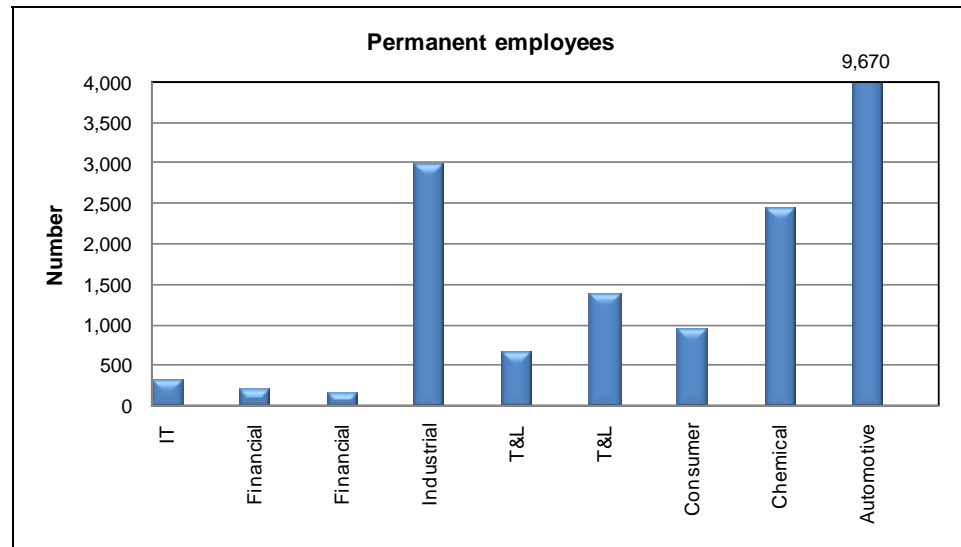
It is not only important to obtain a diverse cross-section by sector, but also by company size. The graph overleaf shows the number of permanent employees by organisation.

A mix of employers by size has been obtained, including:

- Three employers with an employee base smaller than 500
- Two employers with an employee base between 500 and 1,000
- Four employers with an employee bases greater than 1,000 (with one employer having just less than 10,000 employees).

Section 1 Introduction

Number of employees



As expected, the size of the organisations fit broadly in line with the type of business undertaken. In particular, the financial services and IT organisations are more capital intensive, with lower staff compliments. However, the Automotive, Industrial and Chemical industries are predominantly labour intensive.

Contract workers have been excluded from the analysis as the numbers tend to vary significantly by industry. In addition, in the majority of instances the medical scheme premiums and general health care needs are covered by the contractor and not the organisation making use of the contract labour.

1.3 Process followed

Process followed

- NMG, in conjunction with IMSA, prepared a questionnaire designed to be used as a base for a face-to-face interview
- The questionnaire, as detailed in Appendix A, was forwarded to participants to allow for the collection of data prior to the interview
- Interviews were performed face-to-face with a member of senior management of each participant. The questions asked during the interview were standard, and are included in Appendix B.
- Responses from the initial interview were analysed and additional questions were prepared
- Confirmation of the initial interview, as well as the additional questions, were forwarded to the participants for sign-off
- Data was collected electronically in respect of the additional questions.

Section 2 Employer involvement

2.1 Medical scheme choice

The table below shows the medical scheme to which each of the participants belong, as well as whether or not is it compulsory to belong to a scheme. For confidentiality reasons we have not named the restricted schemes as they are named after the employer in both cases.

Medical scheme choice

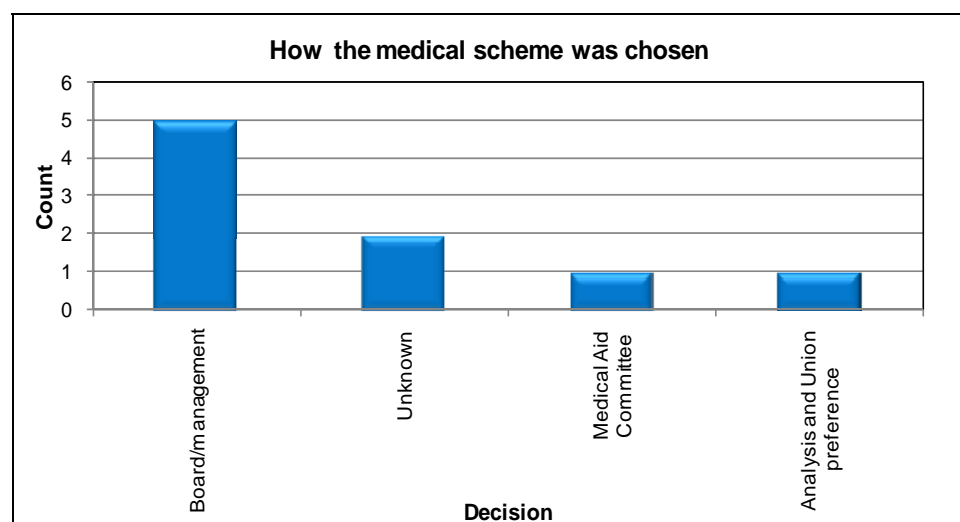
Employer	Medical scheme	Is membership of a scheme compulsory?
IT	Discovery Health, Restricted Scheme 1	Yes
Financial	Discovery Health	Yes
Financial	Discovery Health	Yes
Industrial	Sizwe Medical Fund, Restricted Scheme 2	No
T&L	Discovery Health	Yes
T&L	Discovery Health	No
Consumer	Discovery Health	Yes, but only above a certain level
Chemical	Discovery Health, Sizwe Medical Fund	Yes
Automotive	Discovery Health, Sizwe Medical Fund and Ingwe Health Plan	No

All but one of the participants has Discovery Health Medical Scheme as an option for their employees. Although this is partially as a result of the selection bias of the survey, this is not unexpected given that Discovery is currently the largest open medical scheme in South Africa by some margin.

2.2 How the medical scheme was chosen

The table below shows how the participant chose their medical scheme.

How the medical scheme was chosen



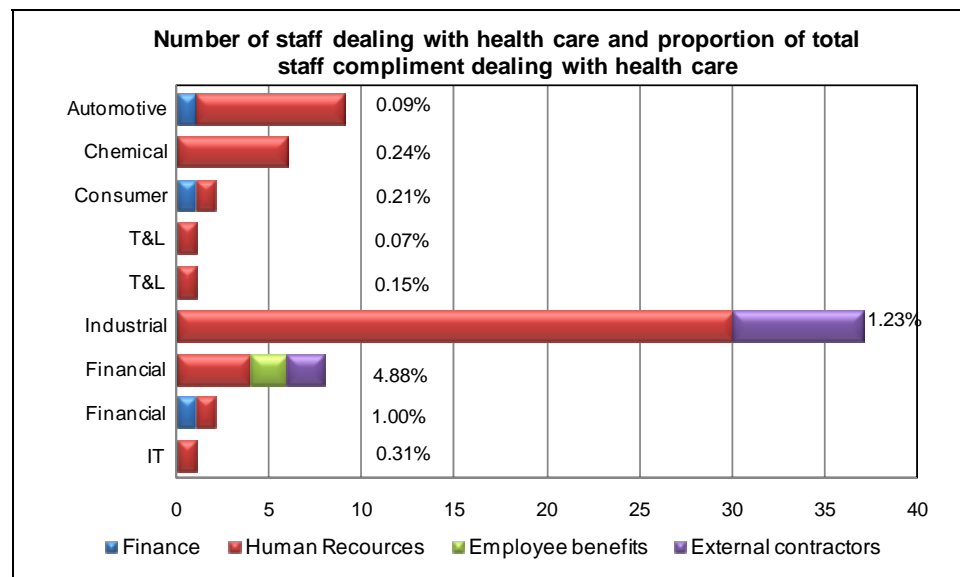
Section 2 Employer involvement

The majority of the employers had Board/management choose the medical scheme for their employees. Two participants were unsure how their medical scheme had been chosen.

2.3 Staff dealing with health care

NMG requested information pertaining to the number of staff members dealing with health care related issues (including financing, benefit provision and wellness), the proportion of their time spent per month on related issues as well as the cost of their time to provide these services. The results are graphed below. The proportion of the total staff compliment dealing with health care is included as percentages next to the bar graphs.

Staff dealing with health care related issues



A few of the participants had an indicative idea of the amount of time spent by their staff on health care issues. This varied greatly between the participants, ranging between 1% and 25% of an individual's time spent at work. Many participants noted that their broker offered great assistance in this regard.

Most employers were largely unaware of the cost of time spent. This indirect cost to the employer of providing health cover to employees is currently being overlooked, and can be significant depending on the extent of involvement.

It is noted that the finance departments tend to play a limited role in dealing with health care issues. This is somewhat surprising given that health care financing (or medical scheme contributions) is a relatively large expense item for organisations. This is confirmed in Section 2.5 below where we show that some participants spend more on health care financing than they do on pension fund contributions.

Section 2 Employer involvement

The Industrial employer has a large Human Resources department that deals with various employee issues, including health care benefits and related queries. Although this is a significant number of individuals, they only comprise 1.23% of the workforce. These individuals spend approximately half a day a week on average dealing with staff health care related issues.

2.4. Scheme administration

The respondents were asked to indicate whether or not they thought that medical scheme administration was efficient. This was measured as a simple “yes” or “no” question. All respondents answered “yes”, indicating that they were satisfied with the level of administration efficiency within the medical schemes.

Query handling

There are limited similarities between the manners in which queries are handled by the employers. Some employers choose to have their Human Resources division handle queries relating to claims before escalating them to their broker. Others tend to use the broker as a first point of contact in order to obtain resolution.

2.5 Monitoring of health care expenditure

The responses to queries regarding health care company expenditure were relatively poor, with no specific figures being provided. The results of the responses received from five of the employers are detailed below.

- Three of the five employers were unsure of their overall annual expenditure on health care as it was not readily-accessible information.
- Three of the five employers noted that health care expenses are greater than spend on training.
- Four of the five employers acknowledged that their spend on health care was higher than their spend on pension or provident fund contributions.

2.6 Conclusion

Some of the participants were unaware of how their current medical scheme options had been chosen. In addition, participants had limited information regarding the number of staff dealing with employee health care related issues as well as the direct and indirect costs involved.

Section 3 Employer monitoring

3.1 Leave benefits available to employees

Poor health often results in staff being required to take additional leave. The table below details the amount of leave potentially available to employees in the organisations surveyed.

Leave benefits

Company	Basic conditions of employment ¹	Additional annual leave (years of service)	Special (Representing SA eg sport)	Lifestyle/remoteness
IT	✓		✓	
Financial	✓	✓		
Financial	✓			
Industrial	✓	✓		
T&L	✓			
T&L	✓			
Consumer	✓			
Chemical	✓		✓	✓ ²
Automotive	✓			

All of the companies complied with the minimum leave set by the Basic Conditions of Employment Act, with two companies providing additional annual leave benefits based on years of service with the employer.

Sick leave benefits

Company	Sick leave benefits
IT	30 days / 3 year cycle
Financial	30 days / 3 year cycle
Financial	30 days / 3 year cycle
Industrial	30 days / 3 year cycle
T&L	36 days / 3 year cycle
T&L	30 days / 3 year cycle
Consumer	30 days / 3 year cycle
Chemical	1 years service: 45 calendar days @ full pay 45 calendar days @ half pay
Automotive	30 days / 3 year cycle

¹ This refers to the basic set of leave provisions, including annual leave, sick leave, family responsibility leave etc, as provided for in the Basic Conditions of Employment Act.

² Lifestyle/remoteness leave is a benefit provided to employees due to the remote location of the employer. This is considered to be a retention mechanism, as employees can find similar work in the area with relative ease.

Section 3 Employer monitoring

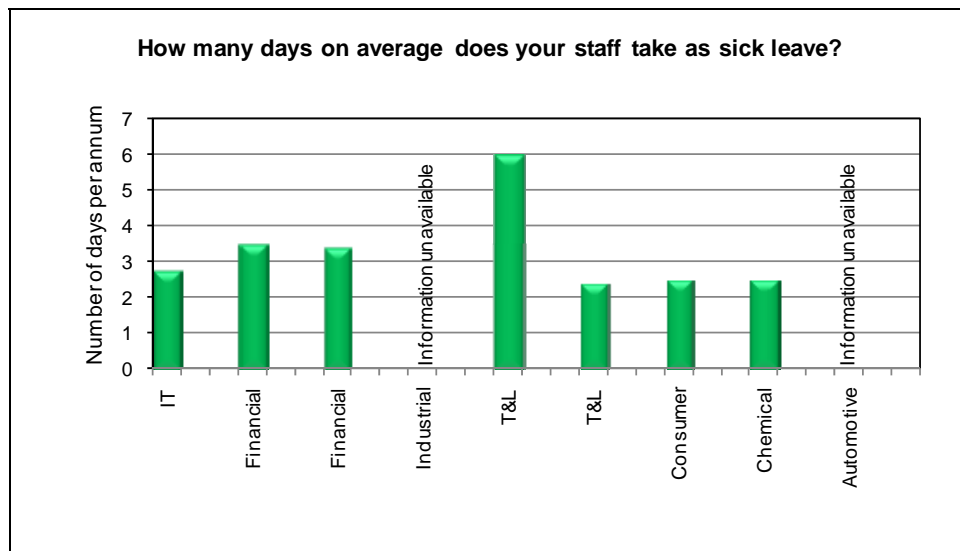
Sick leave is monitored by all companies, with particular emphasis on Mondays and Fridays as well as days adjoining public holidays. In all cases, doctor's notes need to be provided for these days, as well as for more than two days consecutive sick leave. Although doctor's notes are required, very few companies audit these notes.

The Basic Conditions of Employment Act does not require that the doctor provide a diagnosis on the medical certificate. In addition, ethical rules and patient confidentiality prevents the disclosure of patient related information without direct consent from the employee. This could provide some justification as to why employers do not audit the notes.

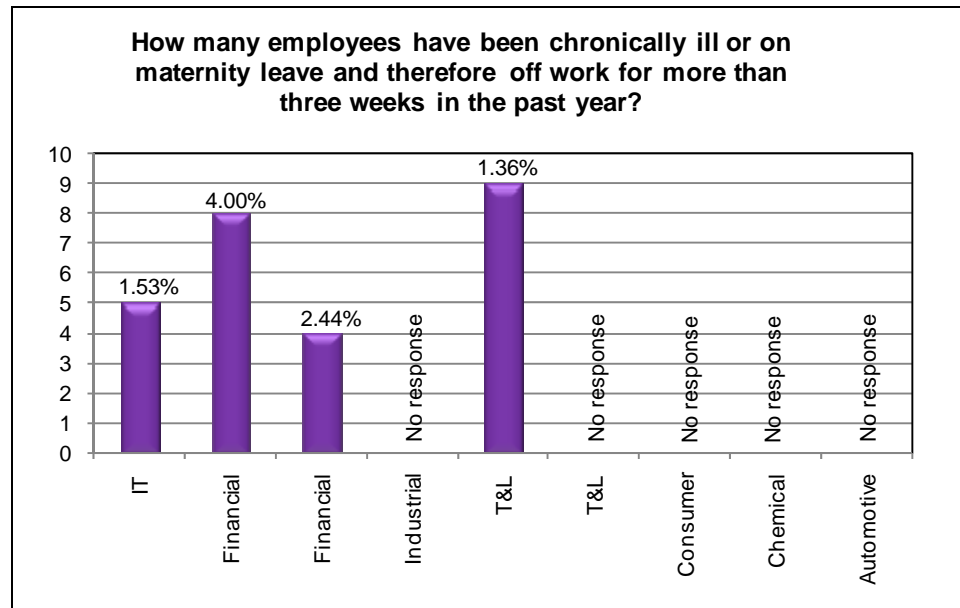
3.2 Average number of sick leave days

The average number of sick leave days taken per employee per annum for each participant is reflected below. NMG also requested the number of individuals who were chronically ill or on maternity leave and consequently off work for a period of greater than three weeks.

Average number of sick leave days per annum



Section 3 Employer monitoring



The average number of sick leave days taken by employees is between 2.5 and 3.5 days per annum, with the exception of one T&L participant who had a high sick leave average. This is despite the fact that of those who responded, this company had the lowest proportion of members who were chronically ill and off on maternity leave.

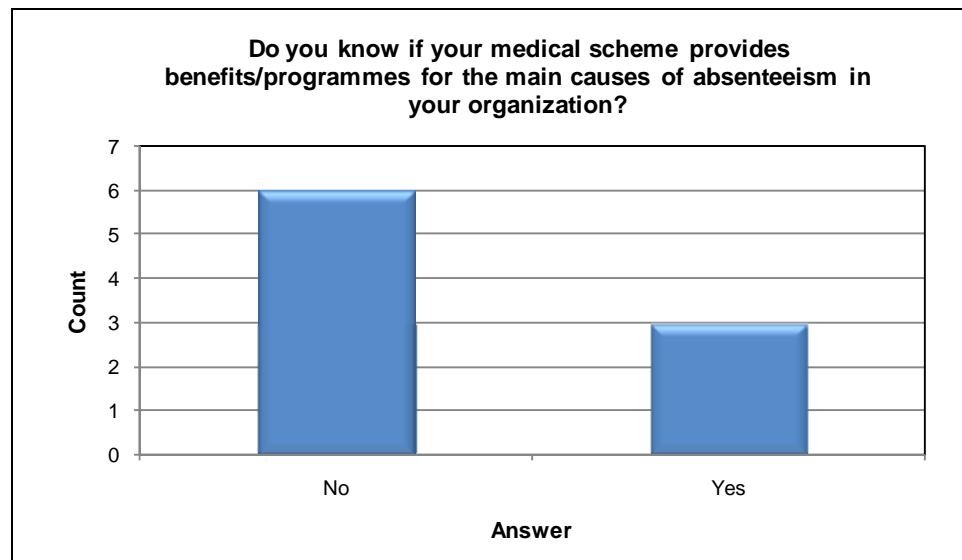
3.3 Management of absenteeism

The management and monitoring of absenteeism in the workplace in South Africa is not as common as in other parts of the world. The respondents were asked if they were aware of the main causes of absenteeism in their workforce.

Only three participants knew the main reasons for absenteeism within their workforce and knew whether or not this was covered by their scheme. This included general complaints such as influenza, colds and stomach related complaints, as well as more industry-specific complaints such as back pain and migraines.

Six of the companies were not able to answer the question as to whether or not their medical scheme provided benefits for the causes of absenteeism. This is reflected in the graph below.

Section 3 Employer monitoring



Cost of absenteeism

The cost associated with absenteeism is largely unknown. Only one participant was aware of the company costs related to absenteeism. This was primarily due to the outsourcing of their absenteeism management to a large South African insurer.

3.4 Conclusion

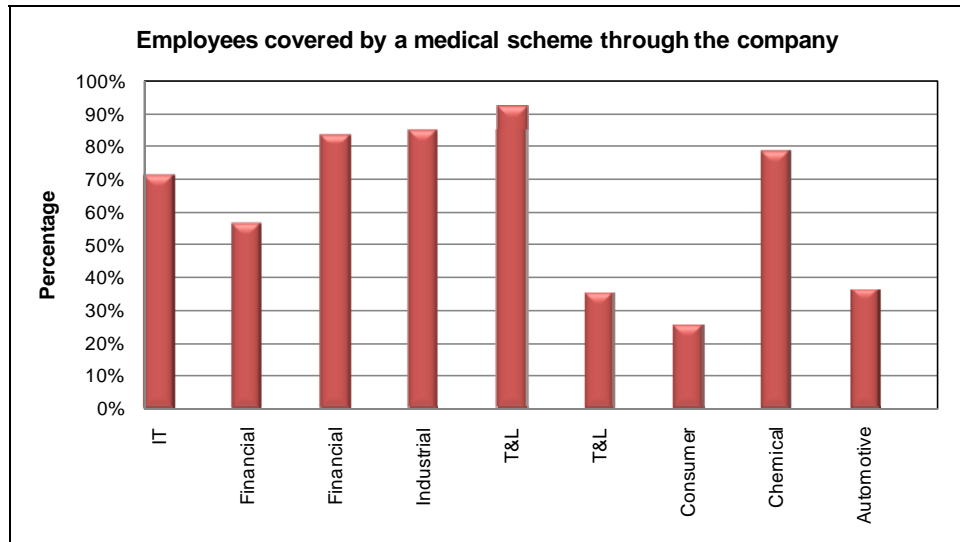
Employers have limited information regarding the number of sick leave days taken by their employees, with even less information being available regarding the causes of this absenteeism. Consequently, costs related to absenteeism of largely unknown.

Section 4 Employee coverage

4.1 Medical scheme coverage

The graph below shows the percentage of employees who obtain medical scheme cover through their employer. This is distorted to the extent that employers allow individuals to join their spouse's medical scheme, thereby not being recorded as covered by the employer.

Covered employees



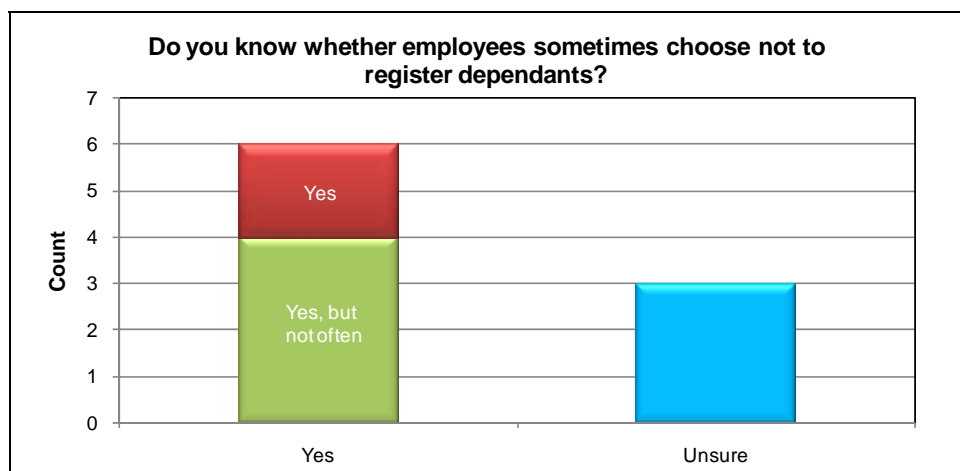
We would expect to see lower percentages for an employee base with a large number of blue-collar employees. This is due to health care premiums making up a significant percentage of their salary package and many individuals therefore looking to opt out of the system. However, the relative level of subsidy offered has an impact on this decision.

The Automotive, Consumer and one of the T&L participants have less than 40% of their employees covered by a medical scheme. Membership is not compulsory for the Automotive and T&L employees and is only compulsory above a certain level for Consumer employees.

4.2 Registration of dependants

Participants were asked whether or not employees sometimes choose not to register dependants on a medical scheme. The graph below shows the results.

Registration of dependants



Section 4 Employee coverage

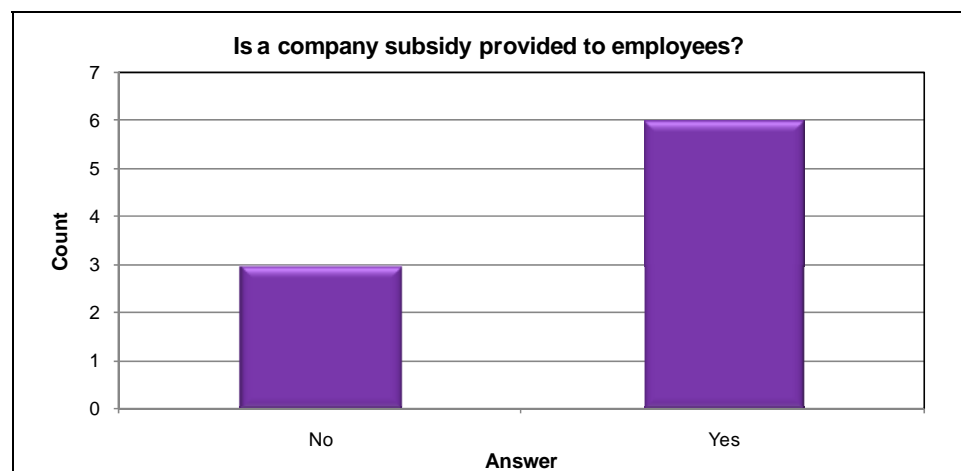
Six of the participants (highlighted in red and green) indicated that they were aware that members were sometimes not registering dependants on the medical scheme. Four of these participants (highlighted in green) did however indicate that to the best of their knowledge this does not happen very often.

The above is seen to be an affordability issue. With the increase in medical scheme contributions over recent years, health care is consuming a large part of an employee's income. In order to save money, families are not registering dependants onto the scheme.

4.3 Medical scheme subsidies

The graph below shows the number of participants who are providing medical scheme contribution subsidies to current employees.

Subsidy to current employees



Cost-to-company

There has been a trend in South Africa over the last decade to offer cost-to-company packages to employees, and this is the case for the three participants who answered “no” to the question asked relating to subsidies. This would therefore mean that no direct subsidy is provided by the company.

Subsidy provided to employees

The six participants who answered “yes” had a number of different types of subsidies in place. These included:

- Defined percentage of any plan (For example, the employer pays 50% of any plan.)
- Defined percentage of a specific plan (For example, the employer pays a maximum of 66% of plan X. Therefore the employer will fund a higher percentage of plan Y if it is lower cheaper than plan X, and a lower percentage of plan Z if it is higher in cost than plan X.)
- Rand amounts capped at certain levels.

One of the T&L participants as well as the automotive and consumer participant offer subsidies of 50%, with plan choice limitations.

Affordability

The participants that have the highest participation on a medical scheme offer a subsidy of 66% or higher or define their subsidy to offer full coverage (ie 100% of contributions) for a lower income plan.

Section 4 Employee coverage

4.4 Post-employment medical scheme subsidies

During the survey it was noted that no participant provided medical scheme cover to current employees once they reach retirement. Four participants used to provide subsidies, but these have subsequently been removed due to the escalating provisions that needed to be held on their Balance Sheets.

*Old Mutual 2005
Healthcare survey*

According to the Old Mutual 2005 Healthcare Survey, only 29% of the 100 employers included in the survey indicated that they offered some form of post-retirement subsidy in 2005.

It is a trend in the industry for employers to shift the burden of health care financing costs to the future pensioner by limiting or removing post-retirement medical scheme funding.

In the current medical scheme environment, it is unlikely that an average pensioner will be able to self-fund his/her total medical scheme contribution unless medical scheme contributions become more affordable.

4.5 Conclusion

Participation on medical schemes varies considerably between organisations. This may depend on the compulsory nature of participation as well as the level of employer subsidies provided. Employer subsidies range significantly pre-retirement, with post-retirement employer subsidies having been removed in all cases.

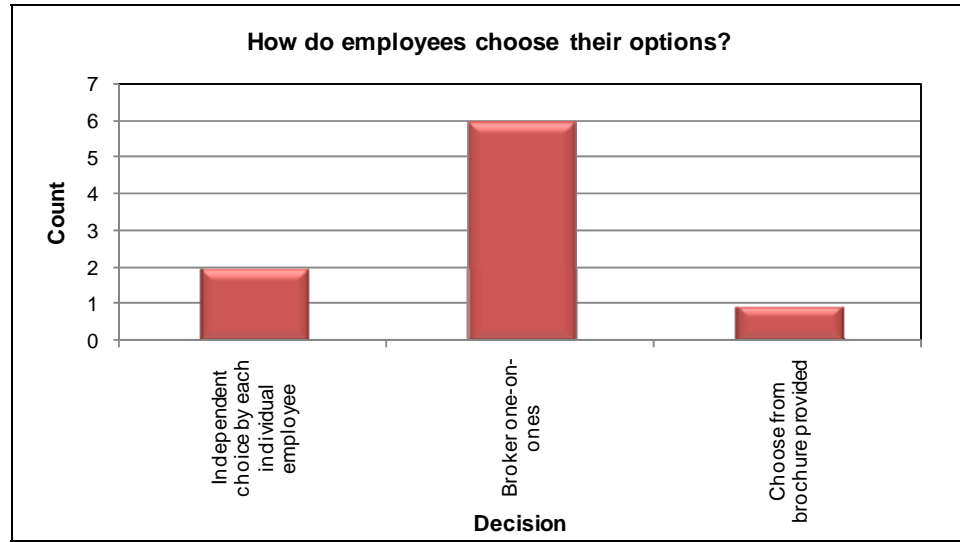
Section 5 Medical scheme benefits

It is important to note that the responses detailed below are based on the perspective of a representative of each participant.

5.1 How members choose their options

The graphs below show the way in which participants believe members are most likely to choose their options. The majority of the responses received related to broker one-on-ones, whereby an employee will be advised of the most appropriate plan for their needs either through an information session or through an individual needs analysis.

How do members choose their options?



5.2 Prescribed minimum benefits

Prescribed Minimum Benefits ('PMB's') are defined in the Medical Schemes Act of 1998. Medical schemes have to cover all costs relating to the diagnosis, treatment and ongoing maintenance of patients with regard to emergency medical conditions, a defined set of medical conditions, 26 chronic conditions and HIV/AIDS.

Participants were asked whether or not they knew what Prescribed Minimum Benefits ('PMB's') were. Five responded positively, whilst four participants were unaware of the definition.

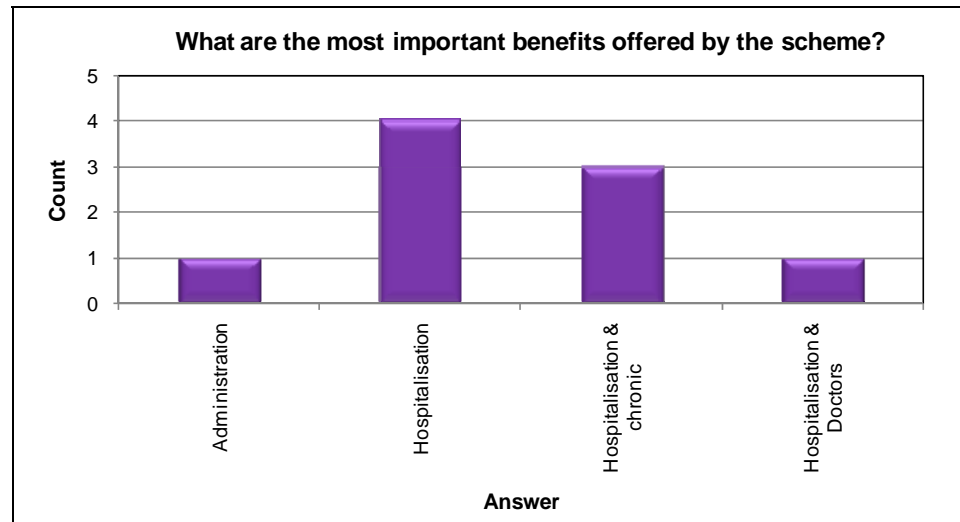
It is a concern that the knowledge of PMB's and PMB coverage is limited amongst participants who contribute towards medical scheme cover for their employees.

Section 5 Medical scheme benefits

5.3 Benefits offered

Participants were asked what they considered to be the most important benefits offered by a scheme. No pre-defined list of benefits were provided to participants.

Most important benefits offered by the scheme



Hospitalisation is regarded as being the most important benefit offered by the schemes. Three of the companies noted that chronic medication benefits were equally important, whilst one company noted that doctor consultations were equally important.

When asked why hospitalisation was perceived to be the most important benefit offered by the scheme, the following responses were received:

- Private rates are unaffordable
- Fear of accidents
- Most expensive discipline
- Due to government hospitals not being adequate and private care being very expensive.

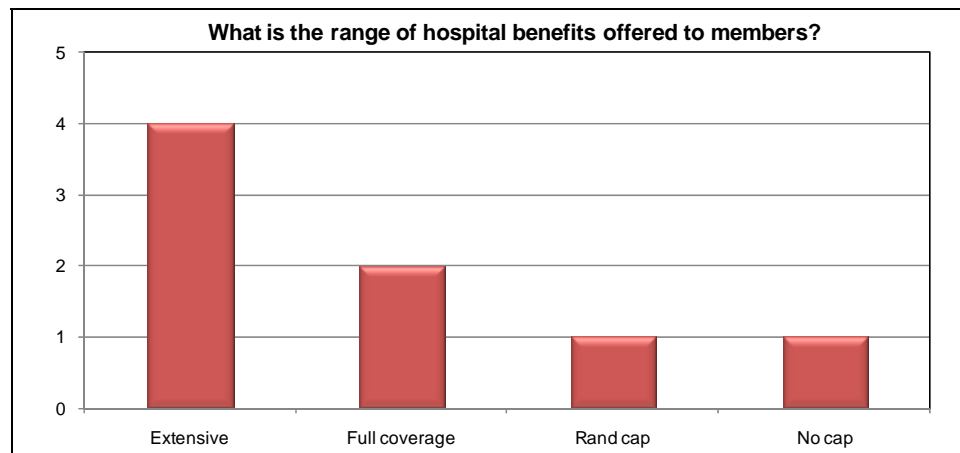
5.4 Hospital benefits

Participants were requested to comment on the level of hospital benefits offered by medical schemes. The comments received are graphed overleaf.

The majority of the respondents indicated that the benefits offered to members were extensive. Some concerns were noted that certain plans had Rand limits. Therefore, members were at risk of having to self-fund portions of the costs once the benefits were exhausted.

Section 5 Medical scheme benefits

Hospital benefits



5.5 Preventative care

Preventative care is intended to detect if there are any underlying health issues that need to be addressed in order to prevent future illness. It is also a way of providing advice on changing lifestyle behaviour to ensure better overall health status. It was noted by all participants that their schemes do offer preventative care benefits to its members.

Wellness days

Wellness days are one of the key ways in which members are able to access preventative care benefits. The respondents indicated the following key factors relating to wellness days:

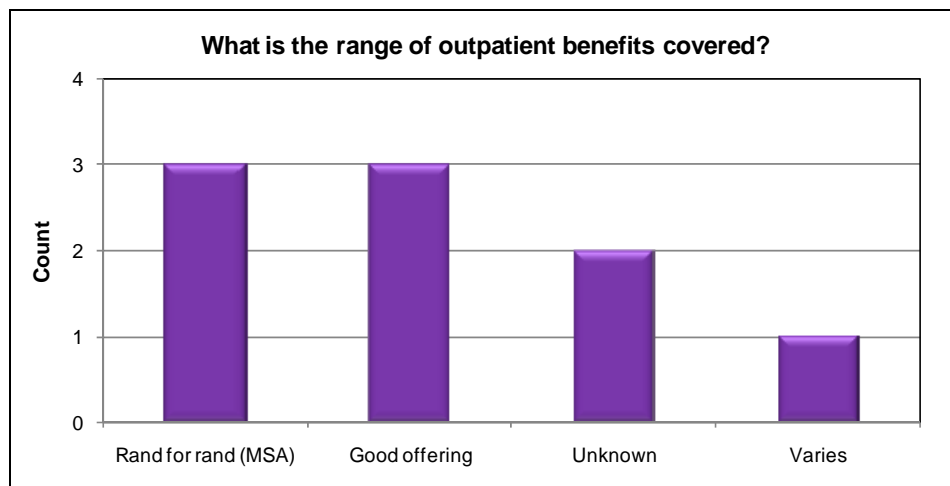
- Participation at these days varies by group, ranging from 50% to 95%
- There is a high utilisation of screening benefits at wellness days. These include blood pressure, glucose and cholesterol screening as well as eye tests
- No incentive is provided to members to attend these days
- There have been improvements in health with a number of members realising that a change in lifestyle was required. This was evident during subsequent wellness days and through feedback from employees.

Section 5 Medical scheme benefits

5.6 Outpatient benefit offering

Participants were requested to comment on the level of outpatient benefits offered by medical schemes. In particular, participants were asked to quantify the level of benefits on a scale of 1 to 5.

Outpatient benefit offering



Rand for rand or medical savings accounts ('MSA;') refers to the savings account portion of medical scheme contributions. Medical Schemes may offer savings contributions equal to a maximum of 25% of total premiums. Savings accounts are not pooled for use by all members on a particular option and are only available for use by the principal member and his/her dependants.

Two of the respondents indicated that the rand for rand offering provided members with choice as to how and where to spend their savings portion of contributions. One respondent did however indicate that they prefer traditional benefit offerings where the out of hospital benefits are pooled and utilised according to need.

One of the key principles underlying savings accounts is that medical scheme members are expected to be more responsible with their own money and therefore less likely to unnecessarily obtain benefits. This is in contrast with the traditional benefit offering, where members are faced with a "use it or lose it" approach.

The majority of the respondents gave a rating of 3 out of 5, indicating that the benefits are adequate. Given that many schemes provide outpatient cover through a medical savings account on a particular option, the level of benefits may be difficult to quantify.

5.7 Conclusion

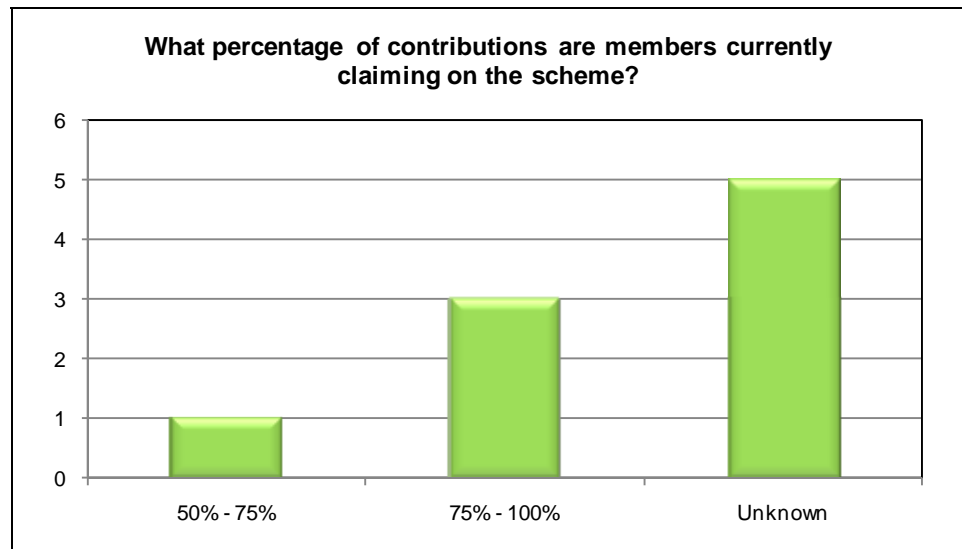
Many employers make use of brokers to assist employees in choosing a medical scheme option. Employers are aware, and relatively happy with, the major benefits offered by the medical scheme. However, terms such as Prescribed Minimum Benefits are not clearly understood.

Section 6 Value for money

6.1 Claims ratio

The participants were asked whether or not they were aware of the current claims ratio (annual medical scheme claims divided by annual medical scheme contributions) of their employees. This is important as it gives an indication of the level of benefits utilised for the contributions paid to the schemes. Five of the nine respondents indicated that they were not aware of what percentage members were currently claiming.

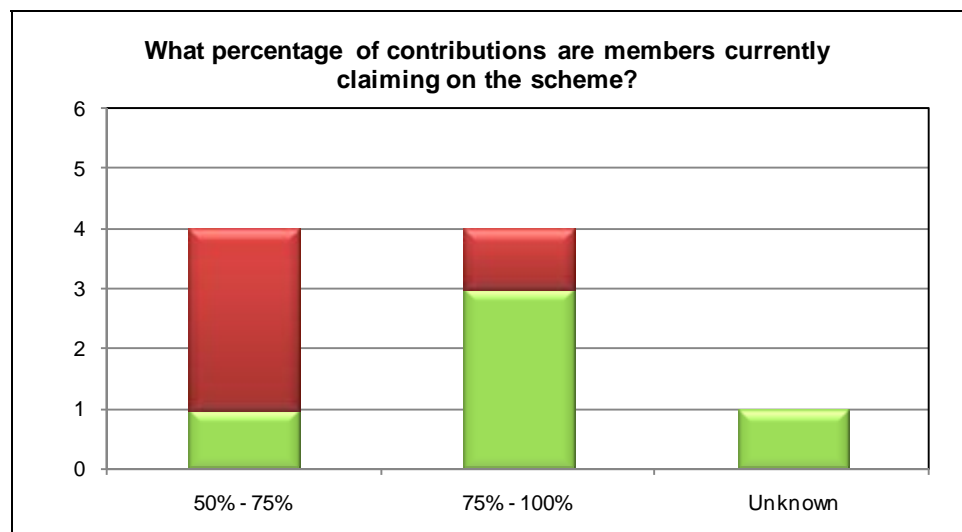
Claims ratio



As NMG is appointed brokers to these schemes, we are aware that four of the five “unknowns” above can be classed into the following categories:

Category	Number of participants
50% - 75%	3
75% - 100%	1

The adjusted responses are shown below, with the red indicating the information obtained directly from the Scheme by NMG.



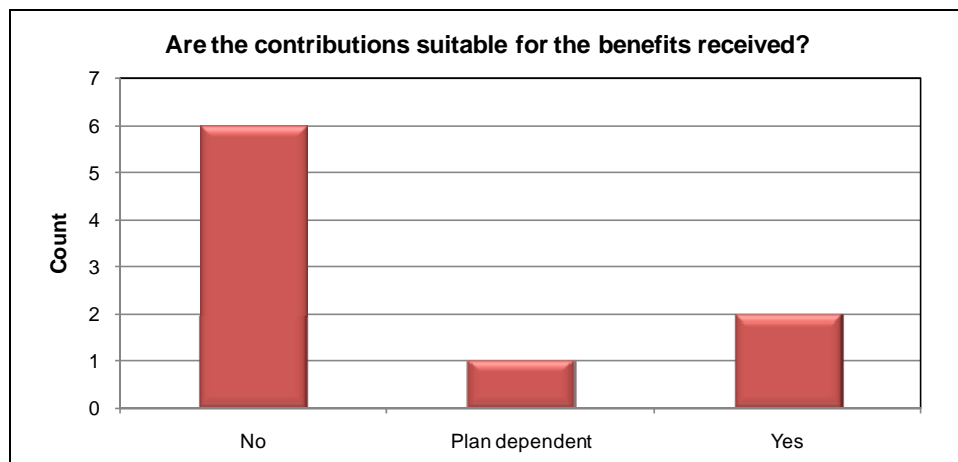
Section 6 Value for money

NMG would expect members to be claiming on average approximately 85% of annual contributions to a medical scheme. The remaining 15% will be used to cover expenses, including administration and managed care fees. This may however vary by scheme and will depend on various strategies within each scheme.

Four of the nine participants have claims ratios below 75%. This may indicate that members are over-insured. Alternatively, members may be choosing options that are not appropriate to their individual circumstances. This may lead to a perception that the medical scheme does not offer value-for-money benefits.

The graph below indicates that six of the nine respondents did not feel that the benefits received for the contributions paid, were suitable.

Value of benefits



Four of the six participants who answered "no" to the above are claiming lower than the average group of members and may therefore feel that they are not receiving value for their contributions. The two participants who answered "yes" both claim between 75% and 100% of their contributions and perceive this to be good value.

Out-of-pocket

There was an indication from almost all of the respondents that their members are out-of-pocket for a number of outpatient benefits. This typically appeared when members' medical savings accounts were depleted. Reference was also made to co-payments and self-payment gaps before the utilisation of above-threshold benefits.

6.2 Conclusion

Many of the participants were unaware of the current claims ratio for their employees. Further analysis showed that in four of the cases this was below 75%. Most participants were unhappy with the level of benefits received relative to the contributions payable, with out-of-pocket expenditure being a specific concern.

Section 7 Overall conclusion

7.1 Review of questions asked

The section below summarises the key findings from each of the sections of the report.

Employer involvement

- Eight of the nine participants offer Discovery Health Medical Scheme as a medical scheme option. Two of the participants have restricted access medical schemes.
- Medical schemes are primarily chosen at a Board/management level (five of nine participants), with two participants being unaware of how the scheme was chosen.
- Participants are satisfied with the current level of scheme administration services.
- Participants have limited information regarding the number of staff dealing with employee health care related issues as well as the direct costs (through medical scheme subsidies) and indirect costs (through time spent by staff on health care related issues) involved.
- Four of five respondents indicated that spend on health care was higher than the spend on pension or provident fund contributions.

Leave benefits

- All of the participants provide benefits in line with the Basic Conditions of Employment Act, with two participants providing additional annual leave benefits based on years of service and two participants providing additional special leave benefits.
- Sick leave benefits are set at 30 days / 3 year cycle for seven of the nine participants.
- The average number of sick leave days taken is between 2.5 and 3.5 days per employee per year. This is after adjusting for maternity and chronically ill days off.
- Six of the nine participants do not know the main cause of absenteeism in their organisation.
- The cost associated with absenteeism is unknown in eight of the nine participants.

Medical scheme coverage

- Participation on medical schemes varies considerably between organisations. This may depend on the compulsory nature of participation as well as the level of employer subsidies provided.
- Employees sometimes choose not to register their dependants. Six of the nine participants are aware that this is taking place.
- Pre-retirement subsidies are provided by six of the nine participants. The remaining three participants work on a cost-to-company basis.
- No participants provided post-employment subsidies to pensioners.

Section 7 Overall conclusion

Medical scheme benefits

- Broker one-on-ones are the primary way in which members choose their options (six of nine participants).
- Four of nine participants were not aware of the meaning of PMBs.
- Hospitalisation is viewed as the most important benefit offered to members and were described to be extensively offered by the current schemes by four of nine participants.
- All nine participants are aware that their scheme offers preventative care benefits.

Claims ratios

- Five of nine respondents were not aware of their current claims ratio.
- Information relating to four of the five participants who did not know their claims ratio was available through NMG, as the participants' brokers. Three of the five participants had claims ratios of less than 75%.
- Six of nine respondents indicated that they were not receiving suitable benefits.

7.2 Level of awareness

Intention of the project

As stated in the introduction, the intention of the project is to review the level of employer awareness of employee health care benefits. The results of this survey indicate that there are a number of areas where employer awareness is limited. Highlighting these areas will hopefully assist employers in setting focus areas for the future.

Appendix A Questionnaire given to participants

A. Questionnaire sent to participants

The following questions were sent in advance of the interview to allow the collection of information and the formulation of questions to be asked during the interview.

1) Standard demographics			
1.1) Number of permanent employees			
1.2) Number of contractors (including the company definition of contractors)			
1.3) Number of employees covered by a medical scheme through the company			
1.4) Number of pensioners who receive a post-retirement health care subsidy			
1.5) Has the post-employment health care subsidy been removed/reduced for new employees?			
1.6) If yes, date the subsidy was removed/reduced			
1.7) Why was the subsidy adjusted?			
1.8) Is a company subsidy provided to employees? If so, what percentage/Rand amount? Is there a maximum subsidy per employee?			
1.9) Are there special conditions whereby no subsidy will be provided?			
2) Company financial information			
2.1) Average percentage of CTC spent by employees on medical scheme contributions			
2.2) Employer's total monthly spend on all health care related expenses as a percentage of CTC			
2.3) Employer's total monthly spend on all health care related expenses as a percentage of turnover			
2.4) Employer's total monthly spend towards health care expenses (please complete the table below)			
Category of spend		Monthly employer cost (Rands)	
2.4.1) Medical scheme contributions			
2.4.2) Wellness programmes			
2.4.3) VCT and HIV/AIDS programmes			
2.4.4) Occupational health (as per COID)			
2.4.5) Primary health care			
2.4.6) Other (please specify)			
3) Company resource information (staff)			
3.1) What parts of the organization are involved in health care issues, either from a cost or benefit perspective? (eg finance, human resources etc)			
3.2) What proportion of specific staff's days is spent on dealing with health care issues?			
3.3) What is the overall cost of the individual's time noted above? (eg if 50% of an individual's time will equate to annual CTC x 50%) Please complete as per the table below.			
Department	Number of staff	Proportion of monthly spend	Cost of time
Finance			
Human Resources			
Employee benefits			
External contractors			
Other (please specify)			

Appendix A Questionnaire given to participants

4) Medical scheme information	
4.1) Name of the medical schemes the company contributes towards	
4.2) Is membership to a scheme compulsory (a condition of employment)?	
4.3) Do you know whether employees sometimes choose not to register dependants?	
4.4) Are there restrictions on options members can choose?	
5) Corporate monitoring	
5.1) Do you monitor absenteeism in your organization?	
5.2) What is the sick leave benefit offered to employees?	
5.3) How many days, on average, do your staff take as sick leave per annum?	
5.4) What are your requirements regarding doctor notes? Are these audited?	
5.5) What other leave benefits are available?	
5.6) What are the main causes of absenteeism? Please complete the table below.	
Cause	Percentage of absenteeism
Backache	
Migraines	
Other 1 (Please specify)	
Other 2 (Please specify)	
Other 3 (Please specify)	
5.7) How many days, on average, do your staff take as family responsibility or other forms of leave per annum? Please complete the table below	
Types of leave	Average number of days per annum
Family responsibility	
Maternity	
Other (duvet-days) etc – please specify	
5.8) What does absenteeism cost you per annum (Rands)?	
6) General	
Would you be comfortable in providing us with a standard information set from you medical scheme? We will use this to understand the demographics of your organization relative to the benefits chosen (The standard information request will be sent through separately)	

Appendix A Questionnaire given to participants

The following questions asked during the interview process.

7) Medical scheme benefits
7.1) How was the medical scheme chosen?
7.2) How do members choose their options?
7.3) Do you know what PMB conditions are?
7.4) What are the most important benefits offered by the Scheme?
- Does the scheme cover preventative care? If yes, please provide details
- What is the range of hospital benefits offered to members?
- What is the range of chronic benefits offered to members? Do these extend beyond PMBs? Do the conditions covered meet your members needs?
- What is the range of outpatient benefits covered?
7.5) Do you know if your medical scheme provides benefits/programmes for the main causes of absenteeism in your organisation?
7.6) Do you investigate members needs compared to plans offered (costs versus benefits)?
If no, are there specific reasons why not?
7.7) What percentage of contributions are members currently claiming on the scheme?
7.8) Are the contributions suitable for the benefits received?
7.9) Are your employees out-of-pocket for certain health care expenses?
If so, for what type of benefits?
8) General
8.1) What does your organization see as the role of the health care consultant/ broker?
8.2) Would you be comfortable in providing us with a standard information set from you medical scheme? We will use this to understand the demographics of your organization relative to the benefits chosen

CTC/Cost to company: Basic salary plus all additional company benefits including pension/provident fund contributions and medical scheme.

Wellness programmes: Programmes offered by Medical Schemes to its members ie Discovery offers Vitality, Momentum offers Multiply.

VCT: Voluntary Counselling and Testing for HIV/AIDS

PMB: Prescribed Minimum Benefits

Appendix B Questions sent via email

B. Additional questions via email

The following additional questions were forwarded via email to the participants.

Question 1
<ul style="list-style-type: none">• Do you know the overall expenditure of your company on health care?• If Yes, what proportion of payroll expense is this?• If Yes, please split the above between the following categories<ul style="list-style-type: none">• Open scheme contributions• Closed scheme contributions• Occupational health• Clinics• Other
Question 2
<ul style="list-style-type: none">• How does your spend on health care compare to spend on other employees benefits?• Pension fund (Greater than / less than)• Training (Greater than / less than)
Question 3
<ul style="list-style-type: none">• Please provide the average number of sick leave days per year taken by employees (eg 3.5 days per year). <p>Alternatively</p> <ul style="list-style-type: none">• Please provide the total number of sick leave days taken by all employees in your organisation.• Please provide the number of employees split per month from January 2007 to December 2007. <p>This will enable us to calculate the average mentioned above.</p>
Question 4
<ul style="list-style-type: none">• How many employees have been chronically ill or on maternity leave and therefore off work for more than three weeks in the past year?
Question 5
<ul style="list-style-type: none">• Do employees sometimes choose not to register their dependants on the Medical Scheme?• Are you always aware when the above occurs?
Question 6
<ul style="list-style-type: none">• In Question 3 in the attached document, you provided us with information for the number of staff who are involved in health care. Please confirm that the numbers provided are in respect of the individuals who are actually dealing with health care and not for the department as a whole.

Appendix B Questions sent via email

Question 7

Please provide an indication of the level of hospital benefits offered to members.

- 1 – Very poor
- 2 – Unsatisfactory
- 3 – Adequate
- 4 – Satisfactory
- 5 – Extensive

Different schemes and plans offer different benefits, including different reimbursement rates. Please provide an overall rating, along with a brief explanation of the reason for your rating.

Question 8

Please provide an indication of the level of outpatient benefits offered to members (ie doctors, specialists, dentists etc)

- 1 – Very poor
- 2 – Unsatisfactory
- 3 – Adequate
- 4 – Satisfactory
- 5 – Extensive

Different schemes and plans offer different benefits, including different reimbursement rates. Please provide an overall rating, along with a brief explanation of the reason for your rating.

Question 9

Please provide an indication of the value for money received by members.

- 1 – Low
- 2 – Unsatisfactory
- 3 – Adequate
- 4 – Satisfactory
- 5 – Excellent

Different schemes and plans offer different benefits, including different reimbursement rates. Please provide an overall rating, along with a brief explanation of the reason for your rating.

Question 10

- Why do you employers generally regard hospitalization as the most important benefits offered on a scheme?

Question 11

- Do you know the main cause of absenteeism in your organisation?
- If yes, what is the main cause?
- Does your medical scheme provide a programme for the management of this cause?

Appendix B Questions sent via email

Question 12

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| <ul style="list-style-type: none">• Do your companies have wellness days at your premises?• What percentage of your employees participate in the wellness day?• Do employees make use of screening benefits at the wellness days?• Are there any incentives for employees to attend?• Is there any improvement in health or an increase in diagnosis as a result of these wellness days? |
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Question 13

- | |
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| <ul style="list-style-type: none">• What percentage of contributions are members claiming on the scheme? |
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Question 14

- | |
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| <ul style="list-style-type: none">• When members have queries, who is their first point of contact? Eg Broker, HR, directly with the Scheme. |
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Appendix C Additional questions sent via email

C. Additional questions sent via email

Question 1
Please provide us with your annual turnover for 2007.
Question 2
Please provide us with your total spend on training for 2007.
Question 3
Please provide us with your total spend on pension/provident fund employer contributions for 2007.
Question 4
Please confirm whether or not your monthly employer spend on medical scheme contributions is X (varied by participant)

